



GARY R. HERBERT  
Governor

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Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 15, 2011

CERTIFIED RETURN RECEIPT  
7009 3410 0001 4203 1447

Lon Thomas  
Star Stone Quarries  
4040 South 300 West  
Salt Lake City, Utah 84107

Subject: Five-Year Review of Reclamation Surety, Star Stone Quarries, Rosebud Mine, M/003/0026, Box Elder County, Utah

Dear Mr. Thomas:

The reclamation surety for the referenced mine was last evaluated in 2006 and escalated to 2011 dollars. The Division has used actual cost changes to bring the reclamation cost estimate to 2011 dollars, then a five-year average was used to escalate the surety amount to 2016 dollars.

The amount now required is \$81,900.00, an increase of \$6800.00 over the current amount of \$75,100.00. The increase may be submitted by providing a rider to the current surety bond, or by providing cash, a certificate of deposit, or a letter of credit either for the increased amount or the total.

Please provide the new surety amount no later than May 23, 2011.

Thank you for your cooperation. Please call me at 801-538-5261 if you have questions about the attached spreadsheet showing the escalation rates, or contact Penny Berry at 801-538-5291 or by e mail at [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov) for information about submitting the surety.

Sincerely,

Paul B. Baker  
Mining Program Manager

PBB:pb

Enclosure: Escalation Spreadsheet

cc: [lgarahan@blm.gov](mailto:lgarahan@blm.gov), [oabeyta@blm.gov](mailto:oabeyta@blm.gov)

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Rosebud Mine  
Surety Escalation

M/003/0026

February 8, 2011

Percentage increase/year

Surety amount in <year> dollars

2003	1.71%	1.0171	
2004	0.84%	1.0084	\$0.00
2005	3.99%	1.0399	\$0.00
2006	5.44%	1.0544	\$69,060.00
2007	2.12%	1.0212	\$72,816.86
2008	-3.40%	0.966	\$74,360.58
2009	2.90%	1.029	\$71,832.32
2010	1.80%	1.018	\$73,915.46
2011			\$75,245.94
2016		1.017	\$81,863.03
			\$81,900.00

Rounded to nearest \$100

Note: The surety amount is listed in the row of the year in which it was calculated.  
The escalation factor for a year is applied to the surety amount to take it to the next year.